

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6681

BILL NUMBER: SB 303

NOTE PREPARED: Feb 23, 2021

BILL AMENDED: Feb 22, 2021

SUBJECT: Petroleum Product Inspection and Dispenser Notice.

FIRST AUTHOR: Sen. Messmer

FIRST SPONSOR: Rep. McNamara

BILL STATUS: As Passed Senate

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill establishes new maximum vapor pressure limits for gasoline and for gasohol (a blend of gasoline and ethanol). The bill also provides that a fuel dispenser from which a retail customer dispenses gasohol containing more than 10% and not more than 15% ethanol must display the statement "Attention: E15. Check owner's manual for compatibility and warranty requirements." or a similar statement approved by the United States Environmental Protection Agency. The bill requires that this statement be displayed on a fuel dispenser next to the fuel grade selection button, as a part of or in addition to the label about the use of ethanol in certain vehicles and certain engines that is required under current federal regulations. The bill makes the failure of an owner or operator of a fuel dispenser to comply with this requirement a Class A infraction. The bill provides that the requirement to display this warning statement remains in effect until the State Department of Health makes a finding that regulations of the United States Environmental Protection Agency:

- (1) require a consumer warning on gasohol fuel dispensers about engine compatibility with gasohol or the potential effect of gasohol use on warranty coverage; or
- (2) no longer require the display on gasohol fuel dispensers of the federal warning label about the use of ethanol in certain vehicles and certain engines.

Effective Date: July 1, 2021.

Explanation of State Expenditures: The new specifications in this bill would be completed by the Indiana State Department of Health (ISDH) within routine testing of gasoline, gasohol, and kerosene. A minor increase in agency workload could occur if more individuals are found to be in violation of the new specifications. Notification of violations and enforcement of corrective actions are within ISDH's routine administrative functions and should be able to be implemented with no additional appropriations.

Explanation of State Revenues: *Weights, Measures and Metrology Penalties* - By changing standards of gasoline and gasohol in the state, the bill could increase the number of individuals who are found in noncompliance with these specifications. Currently, the ISDH Division of Weights, Measures, and Metrology notifies individuals if they are in violation of gasoline, gasohol and kerosene standards in law. If corrective action is not taken, civil penalties are collected, which would be deposited in the General Fund. Any increase in General Fund revenue from violations is expected to be minimal.

Fuel Labeling Penalties - The bill imposes a Class A infraction on operators of fuel dispensers who fail to comply with the bill's labeling requirements for gasohol dispensers. The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision* - If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: ISDH.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: 410 IAC 12-1-7.

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